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E.O. 12958: DECL: 02/22/2020

TAGS: PREL PGOV YM

SUBJECT: DEMARCHE REQUEST: GCC SECRETARIAT MEETING ON

DONOR COORDINATION IN YEMEN

REF: 10 STATE 6940

Classified By: (U) Classified by: NEA Assistant Secretary Jeffrey D. Feltman for reasons 1.4(b) and (d).

- 11. (U) This is an action request. Please see paragraph 6.
- 12. (C) SUMMARY: The upcoming GCC Secretariat meeting on Yemen and concurrent visit of Yemeni PM Mujawar to Saudi Arabia offers the opportunity to update our GCC partners on our Yemen policy and related goals for the GCC Secretariat meeting and for the parallel Friends of Yemen process established in London on January 27. We want to encourage the GCC member states to continue to insist on reform on the ground in Yemen before making additional pledges of assistance and to work to deliver their current assistance through more coordinated, and transparent, mechanisms. END SUMMARY.

Background

- 13. (SBU) On January 27, Secretary Clinton joined representatives of 20 other countries, the UN, World Bank, IMF, and Gulf Cooperation Council (GCC) to discuss international engagement with Yemen, including how best the international community could encourage Yemen to begin addressing the variety of economic, political, and security challenges it faces as well as work together to support Yemen's own nascent reform efforts. The group agreed to launch a "Friends of Yemen" process, with two working groups to encourage efforts, one for economic and governance reform, and another on justice and rule of law. The UAE has agreed to chair the Economy and Governance working group with Germany as its Vice-Chair. The Netherlands will chair the Justice and Rule of Law group with Jordan as its Vice-Chair.
- $\P 4$ . (SBU) The Department is engaged with these countries and the UK to draft agenda and prepare for initial working group meetings in March.
- 15. (SBU) On February 27-28 the GCC Secretariat will host technical experts from the GCC countries, U.S., UK, EU, IMF and World Bank to discuss the current state of development assistance pledged to Yemen at a donor's conference in London in 2006 as well as identify future projects for that assistance and current problems and bottlenecks. USAID COO Alonzo Fulgham will lead the U.S. delegation to this meeting. USAID/Yemen Mission Director Jeff Ashley will attend as well.

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16. (C/ REL) Please deliver these talking points at the highest appropriate level in advance of the February 27-28 meeting and report any substantive responses via front channel cable.

## Begin Talking Points

- -- We appreciate your government's participation in the January 27 meeting on Yemen in London. The Secretary appreciated the open and honest dialogue with you and the other participants at the meeting. She was encouraged by the work the government of Yemen put into its presentation and its honesty in cataloguing the various challenges the country faces.
- -- We look forward to the upcoming meeting in Riyadh February 27-28 hosted by the GCC Secretariat to discuss donor coordination in Yemen. We hope that you will use this opportunity to identify the blockages to assistance delivery in Yemen, both on the ground in Yemen as well as in your own development agencies.
- -- The U.S. is interested in working with you to provide technical assistance to Yemen, where appropriate, to alleviate potential concerns that have limited your ability to fulfill the pledges made at the London 2006 donor's conference. However, absent a political commitment to reform from Yemen's government and near-term actions, technical assistance will not succeed in addressing the primary difficulties of operating in Yemen.
- -- The U.S. is heartened by the announcement of ceasefires between the Houthi rebels and the governments of Yemen and Saudi Arabia. We now need to work together to build on this ceasefire to create the conditions for a lasting peace so that there is not a seventh round of fighting in the future.
- -- Sa'ada and neighboring areas are devastated and we estimate that there are over 250,000 internally displaced persons (IDPs). Past attempts to bring lasting development to the region have been stymied by poor security and rampant corruption. While we work to address these issues and encourage reforms, in the immediate term the international community needs to make sure that the needs of the people in the area are met. We encourage you to contribute to the 2010 UN Yemen Humanitarian Response Plan (HRP) appealing for some \$177 million to respond to a series of acute and chronic humanitarian needs throughout the country.
- -- According to the UN Office for the Coordinator for Humanitarian Affairs (OCHA), the HRP is currently funded at a very low level at less than 1%, with an additional 3% pledged but not committed. The U.S. is committed to the continued funding of UN humanitarian organizations at the highest levels possible, and we encourage other donor countries to help meet humanitarian needs in Yemen. To assist Yemenis displaced by recent fighting in northern Yemen, the U.S. has thus far provided approximately \$19 million during fiscal years 2009 and 2010. (Note: While this funding has gone to assist the affected population via UNHCR, ICRC, WFP, UNICEF, and other groups, these contributions do not count toward the 2010 HRP. The Department expects to contribute to additional funds to the HRP in the coming months. End Note). Delay in responding to Yemen,s significant humanitarian challenges could put at risk 1.4 million food-insecure Yemenis, roughly 250,000 internally displaced persons (IDPs) resultant from the Houthi conflict, and more than 160,000 refugees from the Horn of Africa, as well as over 130,000 Yemeni children suffering from malnutrition.
- -- We are still working with the Chairs and Co-Chairs of the two proposed working groups to establish the agenda and prepare for meetings in March, and encourage you to be in touch with the UAE and the Netherlands to provide input for their preparations. We hope that these working groups will

allow the international community to establish the following with Yemen: 1) a common set of messages on priorities and principles for economic and governance reforms; 2) identification of immediate and longer-term reform activities Yemen should pursue (including benchmarks); and 3) determine how international partners can better target and coordinate support for these reform activities.

## 17. (C/REL) For Abu Dhabi:

-- Thank you for your close consultations on the economy and governance working group. We look forward to a meeting with your Embassy in Washington on February 25 to further discuss our ideas for the working group further.

End Talking Points

REPORTING DEADLINE

¶8. (U) Posts are requested to report the results of this demarche no later than February 26, 2010. Please also report expected host government attendance at the meeting in Riyadh. Please slug responses to NEA/ARP Andrew MacDonald, who is the POC for this demarche, macdonaldat@state.gov, 202-647-6558. CLINTON